



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-894]

Certain Tapered Roller Bearings from the Republic of Korea: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of certain tapered roller bearings (TRBs) from the Republic of Korea (Korea) for the period of investigation (POI) of April 1, 2016, through March 31, 2017, are being, or are likely to be, sold in the United States at less than fair value (LTFV).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Blaine Wiltse and Manuel Rey, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6345 and (202) 482-5518, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 2, 2018, Commerce published the *Preliminary Determination* of sales at LTFV of TRBs from Korea.¹ A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this

¹ See *Certain Tapered Roller Bearings from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less-Than-Fair-Value, Postponement of Final Determination, and Extension of Provisional Measures*, 83 FR 4901 (February 2, 2018) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum, “Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Certain Tapered Roller Bearings from the Republic of Korea,” (Preliminary Decision Memorandum).

final determination, may be found in the Issues and Decision Memorandum, which is adopted by this notice.²

Scope of the Investigation

The product covered by this investigation is TRBs from Korea. For a full description of the scope of this investigation, *see* the “Scope of the Investigation” in Appendix I of this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended, (the Act) from February through April 2018, we conducted verification of the sales and cost information submitted by Iljin Group³ and Schaeffler Korea Corporation (Schaeffler) (collectively, the respondents) for use in our final determination. We used standard verification procedures,

² See Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Tapered Roller Bearings from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ Iljin Group is the name used for the collapsed-entity comprised of the following three affiliated companies: Bearing Art Corporation, Iljin Bearing Corporation, and Iljin Global Corporation.

including an examination of relevant accounting and production records, and original source documents provided by the respondents.⁴

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for each of the respondents. For a discussion of these changes, see the “Margin Calculations” section of the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding rates that are zero, *de minimis* or determined entirely under section 776 of the Act. For the final determination, Commerce calculated the “all others” rate based on a weighted average of Iljin Group’s and Schaeffler’s margins using publicly-ranged quantities of their sales of subject merchandise.⁵

⁴ For discussion of our verification findings, see the following memoranda: Memorandum, “Verification of Iljin USA Corporation in the Antidumping Duty Investigation of Certain Tapered Roller Bearings from the Republic of Korea,” dated April 24, 2018; Memorandum, “Verification of the Sales Response of Schaeffler Group U.S.A., Inc. in the Antidumping Duty Investigation of Tapered Roller Bearings from Korea,” dated April 25, 2018; Memorandum, “Verification of the Cost Response of Bearing Art Corporation in the Less-than-Fair-Value Investigation of Tapered Roller Bearings from the Republic of Korea,” dated May 2, 2018; Memorandum, “Verification of the Cost Response of Schaeffler Korea Corporation and Schaeffler Group USA Inc., (‘Schaeffler’) in the Antidumping Duty Investigation of Tapered Roller Bearings from Korea,” dated May 3, 2018; Memorandum, “Verification of Bearing Art Corporation in the Antidumping Duty Investigation of Certain Tapered Roller Bearings from the Republic of Korea,” dated May 9, 2018; Memorandum, “Verification of Iljin Bearing Corporation in the Antidumping Duty Investigation of Certain Tapered Roller Bearings from the Republic of Korea,” dated May 10, 2018; and Memorandum, “Verification of the Sales Response of Schaeffler Korea Corporation in the Antidumping Duty Investigation of Tapered Roller Bearings from Korea,” dated May 10, 2018.

⁵ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents weighted using each respondent’s actual U.S. sale quantity; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each respondent’s publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all-other producers and exporters. See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews*, Final

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
Bearing Art Corporation, Iljin Bearing Corporation, Iljin Global Corporation (collectively, Iljin Group)	8.21
Schaeffler Korea Corporation	52.44
All Others	30.25

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of TRBs from Korea, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after February 2, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*. Further, we will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margins indicated in the chart above.⁶ These suspension of liquidation instructions will remain in effect until further notice.

Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010). As complete publicly ranged sales data is available, pursuant to the above-described process, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, *see* Memorandum, "Calculation of the All-Others Rate for the Final Determination in the Less-Than-Fair-Value Investigation of Certain Tapered Roller Bearings from the Republic of Korea," dated June 18, 2018.

⁶ *See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of TRBs from Korea no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits will be refunded or canceled. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: June 18, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The scope of this investigation is certain tapered roller bearings. The scope covers all tapered roller bearings with a nominal outside cup diameter of eight inches and under, regardless of type of steel used to produce the bearing, whether of inch or metric size, and whether the tapered roller bearing is a thrust bearing or not. Certain tapered roller bearings include: finished cup and cone assemblies entering as a set, finished cone assemblies entering separately, and finished parts (cups, cones, and tapered rollers). Certain tapered roller bearings are sold individually as a set (cup and cone assembly), as a cone assembly, as a finished cup, or packaged as a kit with one or several tapered roller bearings, a seal, and grease. The scope of the investigation includes finished rollers and finished cones that have not been assembled with rollers and a cage. Certain tapered roller bearings can be a single row or multiple rows (*e.g.*, two- or four-row), and a cup can handle a single cone assembly or multiple cone assemblies.

Finished cups, cones, and rollers differ from unfinished cups, cones, and rollers in that they have undergone further processing after heat treatment, including, but not limited to, final machining, grinding, and/or polishing. Mere heat treatment of a cup, cone, or roller (without any further processing after heat treatment) does not render the cup, cone, or roller a finished part for the purpose of this investigation. Finished tapered roller bearing parts are understood to mean parts which, at the time of importation, are ready for assembly (if further assembly is required) and require no further finishing or fabrication, such as grinding, lathing, machining, polishing, heat treatment, *etc.* Finished parts may require grease, bolting, and/or pressing as part of final assembly, and the requirement that these processes be performed, subsequent to importation, does not remove an otherwise finished tapered roller bearing from the scope.

Tapered roller bearings that have a nominal outer cup diameter of eight inches and under that may be used in wheel hub units, rail bearings, or other housed bearings, but entered separately, are included in the scope to the same extent as described above. All tapered roller bearings meeting the written description above, and not otherwise excluded, are included, regardless of coating.

Excluded from the scope of this investigation are:

- 1) unfinished parts of tapered roller bearings (cups, cones, and tapered rollers);
- 2) cages, whether finished or unfinished;
- 3) the non-tapered roller bearing components of subject kits (*e.g.*, grease, seal); and
- 4) tapered roller bearing wheel hub units, rail bearings, and other housed tapered roller bearings (flange, take up cartridges, and hanger units incorporating tapered rollers).

Tapered roller bearings subject to this investigation are primarily classifiable under subheadings 8482.20.0040, 8482.20.0061, 8482.20.0070, 8482.20.0081, 8482.91.0050, 8482.99.1550, and

8482.99.1580 of the Harmonized Tariff Schedule of the United States (HTSUS).⁷ Parts may also enter under 8482.99.4500. While the HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

⁷ Prior to July 2016, products entering under 8482.20.0061 entered under 8482.20.0060, products entering under 8482.20.0081 entered under 8482.20.0080, and products entering under 8482.99.1550 entered under 8482.99.1540.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Margin Calculations
- V. Discussion of the Issues
 - 1. Allegation of a Particular Market Situation (PMS) in Korea
 - 2. Affiliation with Hyundai Motor Company (HMC)
 - 3. Using New Prototype Sales in the Calculation of Normal Value (NV) and U.S. Price
 - 4. Reclassifying Certain Prototype Sales as Export Price (EP)
 - 5. Post-Sale Price Adjustments
 - 6. Constructed Export Price (CEP) Offset
 - 7. Calculating Financial Expenses
 - 8. Applying Partial Adverse Facts Available (AFA) to Direct Material Costs
 - 9. Unreported Home Market Sales
 - 10. Level of Trade (LOT) and CEP Offset
 - 11. Home Market Rebates
 - 12. Home Market Billing Adjustments
 - 13. U.S. Movement Expenses in Korea
 - 14. U.S. Movement Expenses in the United States
 - 15. U.S. Warehousing Expenses
 - 16. Calculation of U.S. Duties
 - 17. U.S. Billing Adjustments
 - 18. Rebates Granted on U.S. Sales
 - 19. Borrowing Rate for U.S. Credit Expenses
 - 20. Classifying Certain Sales as EP
 - 21. Calculating Financial Expenses
 - 22. Commerce's Schedule for Submitting Case Briefs
- VI. Recommendation